

Understanding Sunnyvale’s 2006/2007 Adopted Budget

SUNNYVALE’S APPROACH TO BUDGETING

The City of Sunnyvale’s unique way of budgeting is part of the City’s internationally recognized Planning and Management System. The Sunnyvale budget looks ahead for many years, anticipating income and expenses over a long-term perspective. FY 2006/2007 is the first year of the two-year operating budget cycle and the second year of the projects budget cycle.

Based on Council direction to evaluate the budget structure as part of the overall review of the City’s Planning and Management System, staff began a comprehensive effort early in FY 2004/2005 and completed the restructure by the end of FY 2005/2006. The two-year operating budget starting in FY 2006/2007 represents the culmination of these efforts and marks the beginning of the next phase in Sunnyvale’s performance based budgeting system. The overall result of the restructure process is an improved system of allocating resources to deliver a defined level of services, an improved system of meaningful success measurement for delivering such services, a system that will provide a clear plan of action for staff to manage the City’s day-to-day services, and most importantly, a policy document that can be easily communicated to the community.

REVENUES

Sources of Funds

Most of the money that supports City services and projects comes from either fees paid by users of services or taxes. User fees include payments for water, sewer, garbage, and recreation services. Utility services are supported entirely through user fees. User fees are the single largest source of City revenue, making up about 42% of the total estimated revenues. Taxes are the next largest source of City revenue at 36% of the total estimated revenues. The majority of City tax revenue comes from sales taxes and property taxes, even though the City only receives 1 cent of the sales tax and about 13 cents of each dollar of property tax. These tax sources have also been impacted by the economic downturn and on-going recession and legislative actions. It now appears that most of the City’s key revenues have finally bottomed out and begun to grow slowly. Unfortunately, in some cases the City’s revenues have stabilized at a new, lower base level. Additionally, several State initiatives have redefined or modified some of the City’s revenue sources or the manner in which they are allocated.

About 11% of the City’s funds for FY 2006/2007 will come from federal, state and local agencies or grants from other government agencies. The City also obtains funds from various other sources, including interest on its investments, making up about 8% of the total estimated revenues. About 3% of the total sources of funds will come from use of reserves.

EXPENDITURES

Operating Budget

Approximately 86% of the FY 2006/2007 budget will go toward the provision of services that ensure Sunnyvale’s citizens and businesses enjoy well-maintained streets, clean parks, first-rate library services and a safe, secure community. The funds for these services are appropriated into a spending plan called the Operating Budget. This plan is revised every other year to take into account changes in inflation, changes in conditions in the community, and changes in the amount of services necessary to maintain the City’s standards of excellence. The FY 2006/2007 budget continues to acknowledge Sunnyvale’s new fiscal reality. The level of services included still reflects most of the reductions made in FY 2003/2004 with some restoration in services of high priority to the Council.

Project Budget

About 11% of this year’s budget will go toward projects. Just as individuals or businesses may set aside money for home repairs or replacement of an aging car, the City plans ahead for long-term maintenance, renovation and repair, improvements, and major additions. These efforts are funded through the City’s Projects Budget. Through the Projects Budget the City proactively addresses long-term needs by identifying project costs, future operating costs, and any outside funding sources. Thus the City has already determined how it will pay for many of its long-term renovation and replacement needs. Some of the major projects included in the FY 2006/2007 Budget are as follows: Mathilda Avenue Railroad Overpass Replacement and Reconfiguration, Plaza del Sol Phase II and Mathilda/237 Area Transportation Improvements/Mary Avenue Extension.

Other Expenditures

The General Fund Service Level Set-Aside, budgeted at \$500,000, represents funds that are available to increase service levels or add new services. The set-aside funds are budgeted annually beginning in FY 2006/2007 through the twenty-year General Fund Long Term Financial Plan.

The FY 2006/2007 Budget also includes \$6.9 million for debt. Just as individuals may borrow money for a house or car, the City occasionally borrows funds to go toward major improvements. For instance, the City is currently paying off debt for funds borrowed to improve the City’s wastewater services (sewer). The debt payments are funded by fees paid by users of the particular service.

For More Information

More information about Sunnyvale’s FY 2006/2007 adopted budget is available through the Department of Finance link at the City’s website (<http://sunnyvale.ca.gov>).



Questions/comments please contact:

City of Sunnyvale
Department of Finance
650 West Olive Avenue
P.O. Box 3707
Sunnyvale, CA 94088

or

call (408) 730-7380

The Adopted FY 2006/2007 Budget
is available online at:
<http://sunnyvale.ca.gov/>

For general information please call (408) 730-7500

CITY OF
SUNNYVALE

FY 2006/2007

ADOPTED
BUDGET
SUMMARY



Fiscal Year 2006/2007 Adopted Budget Summary

TOTAL ESTIMATED REVENUES

USER FEES (42%)	\$100,681,689
Garbage Fees.....	28,369,820
Water Fees.....	22,188,935
Sewer Fees.....	18,741,365
Recreation Service Fees.....	7,424,356
Permits and Licenses.....	5,725,618
Franchise Fees	5,688,840
Rents and Concessions	4,103,923
Park Dedication Fees	4,013,646
Other Fees and Services.....	3,499,141
Fines and Forfeitures	926,045
TAXES (36%)	\$85,692,373
Property Tax.....	37,947,378
Sales Tax	29,702,270
Utility Users Tax	6,123,042
Hotel and Motel Tax	6,109,305
Other Taxes	2,796,614
Gas Tax.....	2,453,195
State Traffic Congestion Relief Program (Prop 42).....	560,569
INTERGOVERNMENTAL (11%)	\$26,592,603
Workforce Investment Act Grant.....	11,000,480
SMaRT Station Operations/Reimbursement.....	10,292,432
State Shared Revenues	1,618,070
Community Development Block Grant	1,271,752
Federal Grants	1,172,070
HOME Grant	703,400
Other Agencies Contributions	534,399
OTHER (8%)	\$19,260,368
Interest Income	6,679,061
Other Revenues.....	5,587,448
Interfund Revenues.....	5,127,249
SMaRT Station Revenues.....	1,866,610

USE OF RESERVES (3%).....\$7,371,780

TOTAL ESTIMATED REVENUES\$239,598,813

(Excludes Internal Service Fund revenues)

TOTAL APPROPRIATIONS

OPERATING BUDGET (86%):	
City Manager’s Office	\$3,644,166
City Attorney’s Office	\$2,756,489
City Council	\$603,620
Community Development Department	\$7,193,338
Construction Permitting.....	2,335,355
Land Use Planning.....	2,003,323
Housing and Human Services.....	1,014,586
Neighborhood Preservation.....	801,793
Economic Development	797,287
Community Development Department Management and Support Services.....	240,994
Employment Development Department.....	\$11,139,629
Finance Department	\$7,238,180
Human Resources Department	\$4,036,380
Library Department	\$6,670,986
Parks and Recreation Department	\$18,716,673
Arts and Recreation Programs and Operation of Recreation Facilities	8,380,021
Neighborhood Parks and Open Space Management	6,539,077
Golf Course Maintenance Operations and Golf Shop Services.....	3,112,625
Parks and Recreation Department Management and Support Services	684,949
Public Safety Department.....	\$62,100,945
Police Services	21,251,998
Fire Services	20,403,893
Investigation Services	5,909,203
Community Safety Services.....	4,041,060
Communication Services	3,308,302
Public Safety Department Management and Support.....	2,793,136
Personnel and Training Services.....	2,306,783
Records Management and Property Services.....	2,086,569

Public Works Department.....	\$80,561,355
Materials Recovery and Refuse Transfer (SMaRT)	18,840,749
Solid Waste Management	18,256,648
Water Supply and Distribution.....	17,589,113
Wastewater Treatment	10,561,653
Pavement Operations.....	4,652,760
Transportation and Traffic Services.....	2,003,413
Sanitary Sewer Collection System	1,512,436
Roadside and Median Right-of-Way Services	1,443,434
Street Tree Services	1,421,615
Concrete Maintenance.....	1,109,260
City Streetlight System	899,419
Engineering Services	867,804
Public Works Department Management and Support Services	610,778
City Property Management Services	341,407
Storm Water Collection System	284,598
Parking District Landscaping Management	89,870
Downtown Parking District Parking Lots	76,398

Project Operating Budget**\$23,791**

TOTAL OPERATING BUDGET.....**\$204,685,551**

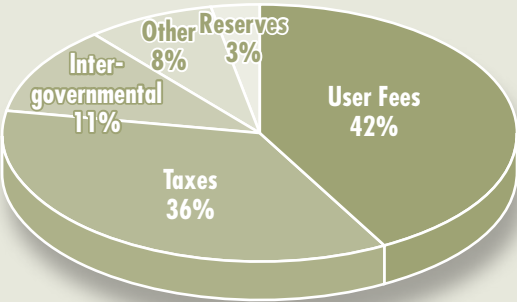
PROJECTS BUDGET (11%):.....	\$26,701,344
Special Projects.....	12,545,742
Infrastructure Projects.....	5,362,530
Capital Projects	4,941,136
Lease Payments	1,843,270
Project Administration	1,637,066
Outside Group Funding.....	371,600

OTHER EXPENDITURES (3%):.....	\$8,211,918
Debt	6,948,868
Wastewater Equipment Replacement	663,050
Service Level Set-Aside.....	500,000
General Equipment	100,000

**TOTAL ADOPTED
FISCAL YEAR 2006/2007 BUDGET.....\$239,598,813**

SUNNYVALE REVENUE SOURCES

FY 2006/2007 BUDGET
\$239,598,813



SUNNYVALE EXPENDITURES

FY 2006/2007 BUDGET
\$239,598,813

